

THE THIRD biggest name in the video games boom — San Diego's Gremlin Industries — got its name from a bureaucrat who didn't hear well on a long-distance phone call.

Since gremlin means a "disruptive elf," the name might seem fitting in view of the cruel disruptions in the career of president **Frank Fogleman**, 48.

The things that happened to him on the way up, at the hands of nefarious rivals, truly seemed incredible.



Frank Fogleman

Fogleman, a handsome redhead, broke out of the Great Smoky Mountains in 1950, two-thirds of the way to a degree from East Tennessee State, to join the Navy during the war in Korea.

Then he finished his engineering studies and came here and worked two years, until 1957. At Convair, he could look over the wall of his cubicle and see a pretty secretary, **Kit Carroll**.

Fogleman paid her no mind. Not until the evening of the very day he quit his job. (He knew the pitfalls of

dating where you work.)

Fogleman took another electronics job in Los Angeles for a couple of years, then came back here to open Aero Marine, an aerospace instrumentation firm.

That's where his troubles started.

HE WAS HIRED to develop a radio telephone that could be carried in a briefcase, and he did, the first ever licensed by the government. He would also handle marketing.

"I thought I had it made," he recalls. "But everybody wanted to steal it. Two holdup men came into the plant here in Old Town and took away the two prototypes."

"They were caught in Las Vegas. The robbery had been engineered by a man in Australia. The holdup men got caught through trying to use the phones."

Meanwhile, a Los Angeles company was manufacturing the portable phones for the market. It suddenly closed out Fogleman and his employers and tried making the phone for itself.

"We sought an injunction against it," Fogleman said, "But we were required by the court to post a \$750,000 bond. It would have cost us \$85,000 and we couldn't afford it."

"We then went to a Palo Alto company to do the manufacturing and it did a good job."

Production was little more than under way when Fogleman got an idea that seemed brilliant to Hertz. His portable radio phone would be available to people renting Hertz cars.

HERTZ, OF COURSE, wanted to know the production capacity before closing the deal and visited the Palo Alto

factory

"When we got there, our production line was nowhere in sight and the company denied they knew anything about a portable phone," Fogleman said.

"We just didn't have a tight enough contract with the company and it made up a phone of its own and sold it. That was when I checked out. I wanted something I owned."

Back in San Diego, Fogleman rented a little building on Kearny Mesa and manufactured food timers for Jack-in-the-Box. ("Throw in a handful of French fries and the timer would ring and tell you when they'd cooked long enough.")

Two years later, in 1972, Fogleman, with five employees, went into electronic games.

Two years later, **Carl Grindle**, owner of the nearby Harlin Laboratory, became Fogleman's partner. He later sold to two of his own employees, **Gerald Hansen** and **Gene Candelore**.

The company applied for incorporation in Delaware (the red tape is at minimum there). A man in the office of the corporation commission phoned and asked for the firm name. It had none.

Candelore thought of Carl Grindle as half owner and stammered: "Just call it Grindlemen Industries." The man in Delaware understood him to say Gremlin.

By 1957, a world-wide boom in electronic games had rolled up and Gremlin built its present plant at 840 Aero Drive. On Friday, 251 employees were on the payroll, turning out 100 games a day.

The buyers were distributors, operating everywhere except in the Iron Curtain countries. The distributors split profit with amusement arcades.

Two years ago, Gremlin sold to Sega Corp., Fogleman remaining as president. (Seventy-five percent of Sega stock is owned by the giant conglomerate Gulf Western, owner of Paramount Studios, Kaiser-Roth Clothing, Madison Square Garden, Bostonia Shoes, etc.)

Fogleman's chief problem is getting new ideas for games. He has a staff of four who do the brainstorming for him, "artist and writer-types," he said.

He added, almost wearily: "We get unsolicited ideas in the mail every day but haven't used one of them. They just are not adaptable."

But Gremlin indeed does well on its own. Three years ago, there were 33 manufacturers of electronic games, today, only four.

Kit Carroll shared all the misadventures of Frank Fogleman, fledgling businessman. He dated her a couple of times after he left Convair, met her again after he had moved to Los Angeles and she had become a United Airline stewardess. They married here in 1960.

Perhaps her present job with United has been the story of her life since meeting and marrying Frank. She works in Lost & Found.